

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

2/2/08

LEASE No. GS-11B-02005

THIS LEASE, made and entered into this date between **Transwestern Monument Randolph Square, LLC**
1700 K Street, N.W., Suite 600
Washington, DC 20006

whose address is

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 168,468 BOMA Rentable Square Feet (BRSF) (yielding approximately 141,014 BOMA Office Area Square Feet (BOASF)) consisting of 5,579 BRSF (4,717 BOASF) located on a portion of the 2nd floor, 26,895 BRSF (22,842 BOASF) located on the entire 3rd floor, 22,843 BRSF (19,074 BOASF) located on each of the entire 4th, 5th, 6th, 7th and 8th floors, and 21,779 BRSF (18,085 BOASF) located on the entire 9th floor in the building known as Randolph Square, located at 2800 S. Randolph Street, Arlington, Virginia 22206 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plans of leased premises).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers SFO # 07-028 (SFO), including SFO paragraphs 1.7 and 3.17, and General Clauses 12 and 20, and continuing for 10 years from the commencement date.

3. The Government shall pay the Lessor annual rent of \$5,190,725.34 (\$30.81134304 /BRSF; \$36.81 /BOASF) at the rate of \$432,560.45 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Transwestern Monument Randolph Square, LLC, 1700 K Street, N.W., Suite 600, Washington, DC 20006 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of a portion of the monthly shell rent during the 1st, 2nd, and 3rd months of the lease term, in equal monthly amounts of \$267,322.36, for a total amount of \$801,967.08, as more fully set forth in paragraph 6(E) below.

4. Intentionally Deleted

5. Intentionally Deleted

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments, are included in the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$5,400,836.20 (\$38.30/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the \$38.30/BOASF being amortized at a rate of 0% over the ten-year Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 1.11 "Tenant Improvement Rental Adjustment" and Paragraph 3.1 "Tenant Improvements Pricing Requirements," with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the General Contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government's review of cost and pricing data.

C. Lessor and the Government shall confer and agree upon a schedule for the design, construction, and delivery of the leased premises that is consistent with SFO Paragraph 3.17 and that provides for completion and full occupancy of the leased premises by the required occupancy date set forth in SFO Paragraph 1.7.

D. The following limits on markups shall apply to all tenant improvements, including change orders: Offeror's General Contractor's fee shall not exceed 5%, Lessor's overhead and profit shall not exceed 5%, general conditions shall not exceed 5%, and architectural/engineering cost shall not exceed 5%. The combined total of the foregoing markups and fees shall not exceed 20%. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

E. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of (b) (4) of the lease value for the ten (10) year firm term. The total amount of the commission is (b) (4) 0. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego (b) (4) of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is (b) (4) 3 and shall be paid as free rent in equal monthly installments of (b) (4) 6 during months 1, 2, and 3 of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of (b) (4), which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the 1st month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First (1st) Month's Rental Payment of (b) (4) minus prorated Commission Credit of (b) (4) equals (b) (4) adjusted First Month's Rent.

Second (2nd) Month's Rental Payment of (b) (4) minus prorated Commission Credit of (b) (4) equals (b) (4) 9 adjusted Second Month's Rent.

Third (3rd) Month's Rental Payment of (b) (4) 5 minus prorated Commission Credit of (b) (4) equals (b) (4) 9 adjusted Third Month's Rent.

F. For purposes of Paragraph 3.4(F) and 3.5 of the SFO, as of the date hereof, the Government's percentage of occupancy is 81.24%, based on occupancy of 168,468 BRSF in a building of 207,379 BRSF.

G. For purposes of Paragraphs 3.6 and 3.7 of the SFO, as of the date hereof, the operating cost base is (b) (4).

H. Pursuant to Paragraph 3.11 "Common Area Factor", the Add-On Factor is determined to be 1.1946898889, calculated as follows: 168,468 BRSF/141,014 BOASF.

I. Pursuant to Paragraph 1.4(D) of the SFO, the Warm Lit Shell Credit, which shall be applicable only to the BOMA office area portion of the leased premises, shall be \$19.93 per BOASF.

J. Pursuant to paragraph 7.2 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Pursuant to Paragraphs 1.8(B)(12) and 7.3 of the SFO, overtime HVAC service shall be provided beyond the aforementioned Normal Hours Schedule, as follows: (1) Regularly scheduled overtime HVAC shall be provided daily to the entire leased premises, extending from 5:30 am to 7:00 am, Monday through Friday, excluding Saturdays, Sundays, and federal holidays ("Regularly Scheduled Overtime") at an annual rate of \$10,000.00, which shall be payable by the Government in lump sum separate and apart from the rent set forth in Paragraph 3 of this SF2; and (2) additional overtime beyond the above-referenced Normal Hours Schedule and Regularly Scheduled Overtime shall be provided at rates of (i) \$30.00 per hour per floor or (ii) \$100.00 per hour for overtime HVAC throughout the entire leased premises. A minimum of two hours shall be charged for each usage of hourly overtime that is not consecutive to the Normal Hours Schedule or the Regularly Scheduled Overtime. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, service and engineering fees. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

K. Pursuant to paragraph 7.6(A) of the SFO, the Government shall have the continuing right, exercisable at any time throughout the lease term, to require that after-hours cleaning be converted to daytime cleaning at no additional cost to the Government.

L. The adjustment to the rent for space previously occupied by the Government and then vacated shall be \$2.50 per BOASF.

M. The rental amount set forth in Paragraph 3 of this SF2 includes the cost of providing the shuttle service required by SFO Paragraph 1.4(B) in the amount of \$0.62 per BOASF. The Government shall have the option, exercisable by providing written notice to the Lessor at any time before or during the lease term, to forego or discontinue such shuttle service. In the event that the Government elects to forego or to discontinue such shuttle service, the shell rent due under this lease shall be reduced by \$0.62 per BOASF and the rental amount set forth in Paragraph 3 above shall be adjusted accordingly.

N. Lessor shall ensure and provide as necessary, at Lessor's expense, all Fire and Life Safety improvements required by the SFO, as well as those recommended by GSA's fire and life safety specialists, and ensure that the building meets all local and national codes, including NFPA 101. Without limiting the foregoing, Lessor agrees to make improvements specified as part of the "Attachment #2 - Fire and Life Safety Report" and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of space. Upon request of the Government, Lessor agrees to furnish an updated "Attachment #2 - Fire Protection and Life Safety Evaluation" prior to the Government's acceptance of space.

O. Prior to the Government's acceptance of space, Lessor shall correct, at Lessor's sole cost and expense, all items identified as "non-compliant" in section 7(F) of this SF-2, and upon request by the Government, Lessor shall furnish, at its sole cost and expense, an updated seismic certification showing full compliance with SFO Section 2.1 "Seismic Safety".

P. Pursuant to Paragraph 9.6 of the SFO, the Government has full security control over all parking areas, surface or structured. In addition, throughout the term of the lease, the Government, including Government employees occupying the leased premises, shall be entitled to use at least 505 unreserved parking spaces in the building's adjacent structured parking garage free of charge.

Q. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

7. The following are attached and made a part hereof:

- A. Exhibit A - Floor Plans of the Leased Area, 8 pages
- B. Solicitation For Offers No. 07-028, as amended, 52 pages
- C. Attachment #1 - Rate Structure, 1 page
- D. Attachment #2 Fire Life Safety Evaluation - 9 pages
- E. Pre-Lease Building Security Plan, 9 pages
- F. Seismic Certification, 8 pages
- G. GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- H. GSA Form 3517 - General Clauses, 33 pages
- I. GSA Form 3518 - Representations and Certifications, 7 pages
- J. Small Business Subcontracting Plan, 16 pages
- K. Program of Requirements, 82 pages
- L. Addendum to Lease GS-11B-02005, 2 pages

8. The following changes were made in this lease prior to its execution:
Paragraphs 4 and 5 have been deleted in their entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: **Transwestern Monument Randolph Square, LLC a Delaware limited liability company**

By: Transwestern Monument Randolph Square, LLC, its Manager

By: (b) (6)

Bradley S. Beile, its Managing Director

IN PRESENCE
OF (b) (6)

UNITED STATES OF AMERICA

(b) (6)

BY

CONTRACTING OFFICER